MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

BBM3824 – SMALL BUSINESS MANAGEMENT

(Distance Education)
(All sections / Groups)

4 March 2019
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTION TO STUDENTS

1. This Question paper consists of **THREE** (3) pages inclusive of the cover page.

2. Attempt **ALL** the **FOUR (4)** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the answer booklet provided.

QUESTION 1

a. Harris Salleh intends to be a business owner after opting out for an early retirement. He wants to start up a new business but a consultant advised him to buy an existing business. What are the **THREE (3)** advantages of buying an existing business and **THREE (3)** disadvantages of setting up a news business?

(12 marks)

b. Suppose Harris want start the business as a sole proprietor since he is new to the business and having limited capital. Discuss **THREE (3)** advantages and **THREE (3)** disadvantages of sole proprietorship.

(13 marks)
(Total: 25 marks)

QUESTION 2

a. Family involvement in a business is quite common among small medium entrepreneurship. Discuss the **FOUR (4)** advantages and **TWO (2)** disadvantages resulting from this venture?

(10 marks)

b. One of popular way in starting a business is through franchising. Discuss the advantages and disadvantages of franchising from the viewpoints of the franchisee.

(15 marks)
(Total: 25 marks)

QUESTION 3

a. Business plan is one of the most important documents every business should have. Explain **THREE (3)** functions of the business plan and give the **TWO (2)** users of these plans.

(12 marks)

b. Azhar Maju has opened its restaurant in a new housing area. The restaurant is located at the last row of a shopping block and faces an undeveloped area and overgrown bushes. While another restaurant occupies in the first row which is in easy access to the public. Explain whether Habib Maju has chosen a good location and provide gives **THREE (3)** reasons to support your arguments.

(13 marks)
(Total: 25 marks)
Continued.....

QUESTION 4

a. A new small business has been in operations for a few months and the owner has decided to promote its sales through online (website) promotion. What are the **FOUR (4)** ways or web tools the owner can use to promote sales?

(13 marks)

b. Net profit is one of the important indicators that determine business performance. How can a business consistently increase the net profit margin of a business? Give **FOUR (4)** ways with references to the items in the profit and loss account.

(12 marks)
(Total 25 marks)

END OF PAPER